

MILNOR GRAIN COMPANY
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December 14, 2012

Ms. Cynthia T. Brown
Chief, Section of Administration
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20423

233550

RE: STB Docket No. EP714, Information Required in Notices and Petitions Containing Interchange Commitments.

Dear Ms. Brown:

I am the owner of the Milnor Grain Company which is located on the Red River Valley & Western Railroad (RRVW) in North Dakota. My company collects grain from approximately 100 family farms in a 25-mile radius. We ship approximately 4 million bushels a year on the railroad.

As I understand it the Surface Transportation Board (STB) is considering new rules that would make it much more difficult for a short line railroad to purchase track from a Class I if a so-called paper barrier is a part of the transaction. In talking to my short line railroad I am convinced this is not a good idea and I am writing to urge the STB to reconsider this rule.

The RRVW saved the track over which I ship from certain abandonment. In the early 1980's this BNSF track was marginally profitable at best. As such it was receiving less and less capital investment and service was deteriorating. Rightly or wrongly, the BNSF was only willing to sell the line if it could continue to be a part of the route over its main line. RRVW accepted that condition and today that decision has proven to be the right one. Our rail service was preserved and the RRVW has made the kind of investments needed to efficiently serve my business. I purchased the Milnor Grain Company in 1999 and since that time I have doubled the number of bushels I ship by rail.

As a businessman I understand the benefits of competition and I would certainly benefit if RRVW had more than one Class I connection. But at the time of the sale the choice was not between two connections or one, it was between one connection and no connection at all. Presumably the decision of the seller was based on the economics of the line. I don't believe it makes sense for the federal government to artificially interfere with the real economics of the situation.

I appreciate the opportunity to communicate with you on this subject and I hope the STB will rethink its position on the matter.

Sincerely,

Loren Ellefson, Owner,
Milnor Grain Company

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